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DEPARTMENT OF THE ARMY
Pacific Ocean Division, Corps of Engineers
Fort Shafter, Hawaii 96858-5440

PODR 1180-1-9

Regulation
No. 1180-1-9

26 December 1985

Contracts
CONTRACTING WITH SMALL BUSINESS ADMINISTRATION
UNDER SECTION 8(a) OF THE SMALL BUSINESS ACT

1. PURPOSE. This regulation defines responsibilities and prescribes procedures for contracting with the Small Business Administration (SBA) under the provisions of Section 8(a) of the Small Business Act (15 USC 637(a)).

2. APPLICABILITY. This regulation is applicable to procurements made in the United States, its possessions and the Trust Territory of the Pacific Islands covering military and civil works projects.

3. REFERENCES.

- a. FAR Section 19, Part 8.
- b. AFARS Section I, Part 8.
- c. EFARS Section 19, Part 8.
- d. ER 715-1-7.
- e. EFARS Section 15, Part 8.

4. POLICY. In support of the policy of the Chief of Engineers, Pacific Ocean Division will enter, to the maximum extent feasible, into contracts with the Small Business Administration to foster or assist in the establishment or the growth of small business concerns owned and controlled by socially and economically disadvantaged persons, as designated by the SBA, so that such concerns may become self-sustaining, competitive entities within a reasonable period of time.

5. RESPONSIBILITIES AND PROCEDURES. The following procedures will be followed in the designation of projects for accomplishment under Section 8(a) of the Small Business Act; selection of a contractor (hereinafter called "8(a) subcontractor") for performance of the work; negotiation of a price; and award and administration of the resultant contract:

- a. Engineering Division will initiate a continuing review of all projects received for accomplishment, and will recommend to Procurement and Supply Division, ATTN: Small and Disadvantaged Business Utilization Specialist, any project considered suitable for award to the SBA. In making such recommendations, due consideration shall be given to the dollar value, complexity of the work, the required performance schedule, and impact if slippage occurs in the schedule. Simultaneously, a package will be provided to Procurement and Supply Division to be forwarded to the SBA for consideration as a Section 8(a)

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contract. The package shall include a description of the work (plans and specifications), the cost range, the target negotiation and award dates, and tentative performance schedule. A Government Estimate will be prepared for contracts anticipated at \$25,000 or more, and for contracts less than \$25,000 whenever required by the negotiator.

b. Construction-Operations Division will, for all Section 8(a) construction projects:

(1) Review plans and specifications furnished by Engineering Division prior to negotiation.

(2) Provide negotiator(s) to assist in negotiating small business contracts.

c. Procurement and Supply Division will, in conjunction with Engineering Division responsibilities outlined in paragraph 5a above, maintain its own internal review of procurement requirements submitted by requesting offices and select suitable projects for Section 8(a) implementation. Upon designation as suitable for award to the SBA, the project package will be forwarded to the SBA for consideration as a Section 8(a) contract. The package shall include two sets of plans and specifications. The forwarding letter shall also request that the SBA submit, within fifteen (15) working days, the name(s) of the concern(s) it desires to be considered for the performance of the work. The SBA submittal shall contain a short summary of each firm's experience, capacity and any other information which will be useful in making a selection. In the event that the SBA does not provide the required response within the time indicated, action will be taken in accordance with AFARS 19.804(b)(91) to proceed with the procurement without further regard to the Section 8(a) procedures.

d. Soliciting a Proposal. Procurement and Supply Division will forward the plans, specifications, and other pertinent documents to constitute a Request for Proposal (RFP) package to the SBA for transmittal to the prospective 8(a) subcontractor(s). The prospective 8(a) subcontractor's proposal(s) shall provide labor, material, equipment, and direct costs in detail. The SBA will receive the proposal within the time specified in the RFP and will forward it intact to Procurement and Supply Division.

e. Negotiation. Negotiations will be conducted by Construction-Operations Division in accordance with established procedures. However, it should be noted that the award of the contract will be to the SBA; therefore, the SBA will be represented in all negotiations.

f. Award. Prior to award, the SBA will be required to provide a written certification as to its competency to perform the contract. All concerned with award and administration of Section 8(a) contracts must understand that the basic contract is between Pacific Ocean Division and SBA, and that the 8(a) subcontractor performing the work at the site has a binding contract with SBA only.

g. Administration of Contract. A Section 8(a) contract shall be assigned to the appropriate Resident Engineer for administration in the same manner as other contracts.

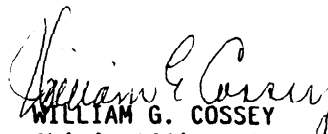
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h. Payments to Contractor. Payments will be made by the Pacific Ocean Division Resource Management Office directly to the 8(a) subcontractor. Copies of "Paid" payment estimates shall be furnished for all progress payments to the SBA. First and final payments shall be subject to SBA approval which must be indicated by an SBA indorsement on the pertinent payment estimate.

i. Administration of 8(a) Program. Procurement and Supply Division is responsible for administration of the Section 8(a) procurement program.

FOR THE COMMANDER:



WILLIAM G. COSSEY

Chief, Office of Administrative Services

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